

5 June 1963

L-11898

Mr. Martin J. Bailey
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Dear Martin:

I am embarrassed by my extreme tardiness in replying to your letter; as in many other cases, my desire to give it a careful reply has led to unconscionable postponement. Since I am leaving within the hour for several weeks in Washington, I can only acknowledge your letter and promise you a more helpful response in July. However, since you imply that you will be doing work for IDA, perhaps I will find you in Washington on my arrival; I will check there just in case. I would like very much to discuss these matters with you in person, either in Washington or elsewhere.

I did do a good deal of elaboration of the notions that were presented in "The Crude Analysis of Strategic Choices." As a matter of fact, I had outlined a number of applications of these notions well before delivering that paper, and the printed version in the American Economic Review was, in effect, only an abstract. However, to this date, my good intentions with respect to writing those thoughts out have been about as fertile as my intentions of answering you promptly. I apologize to you for the latter, and to the world for the former. If I may make one brief comment at this point, I would say that I have given thought to the implications of a high "level of tension" on the perceptions and the decision-making processes of the parties to this interaction. For one player, the size of p would seem to be an appropriate indicator of "tension"; I am somewhat dubious about the index you suggest, $p + q$ (this might of course be greater than 1, which may or may not be a drawback), but I would have to give that more thought. At any rate, I would suspect that the impact of a crisis atmosphere or high expectation of enemy attack would not, in terms of the model, be so much on the "optimal" size and structure of the military effort, but on the process of decision-making (which might come to depart significantly far from "optimization" in terms of careful calculation,

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evaluation of alternatives, and reasoned analysis of evidence)
and on the parties' interpretation of ensuing "evidence."

Your interest encourages me to return to my old notes on these
matters and perhaps to issue them at last. Again, I hope that
we will have a chance to get together.

Yours,

Daniel Ellsberg
Economics Department

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